

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2261 - SB 2529**

February 8, 2018

**SUMMARY OF BILL:** Removes the statutory reserve schedule for reserves on unearned risk rates of title insurance contracts.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Based on information from the Department of Commerce and Insurance (DCI), removing the statutory reserve schedule would result in title insurance company reserves being governed by the reserve schedule of the National Association of Insurance Commissioners (NAIC) accounting practices and procedures manual.
- Passage of this legislation would require the Insurance Division of the DCI to ensure title companies were reserving unearned risk rates on contracts of title insurance in accordance with the NAIC.
- The DCI can accomplish the provisions of this legislation within existing resources without an additional appropriation or a reduced reversion.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumption:

- This legislation will impact the amount of reserves required to be held by title insurance companies. Due to multiple unknown factors, such impact cannot be quantified with reasonable certainty. However, it is estimated that the proposed legislation will not result in a significant impact on commerce or jobs in Tennessee.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/vlh